A PROPOSED DEFENSE BUDGET FOR FY 1980

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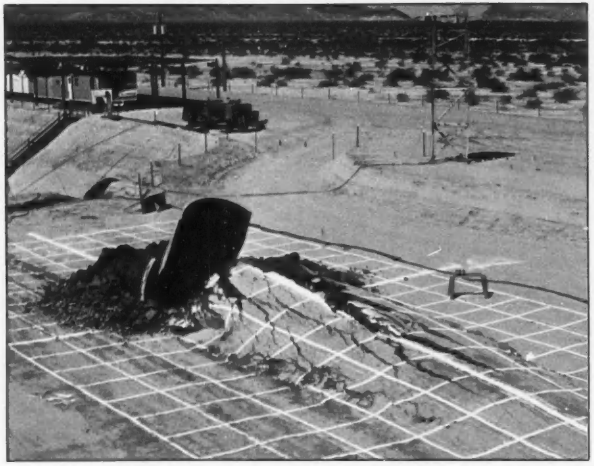
COMMAND

MAGAZINE

A PROPOSED DEFENSE BUDGET FOR FY 1980

This series of photos show the progression of a missile launcher bursting out of the ground to the point where it is ready to fire a missile during a test. . . .



The Department of Defense budget for Fiscal Year 1980 proposes resources which reflect President Carter's determination to counter the Soviet military build-up and to fulfill his pledge to NATO to increase U.S. defense spending by three percent per annum in real terms. The budget provides for real growth in defense capability. At the same time it recognizes the need for further efficiency and economy in operations. The American citizen has a right both to increased capability and greater efficiency.

In support of long-range defense plan, and to finance certain urgent programs requiring initiation prior to FY 1980, the President transmitted to Congress as part of the budget submission a $2.2 billion FY 1979 Supplemental Request. This is in addition to normal supplemental requests for pay and other fact-of-life increases. If approved, this will bring the FY 1979 Defense Budget back essentially to its originally planned level. Equally important, we will be able to:

- Expand our strategic nuclear initiatives and, in particular, accelerate the M-X and TRIDENT II ICBM programs.
- Add to our capabilities for reinforcing NATO.
- Add needed surface combatants to our Navy shipbuilding program.
- Improve further the overall readiness of our forces.
- Fund the U.S. FY 1979 share of the joint NATO AWACS program.

The revised FY 1979 totals of $125.7 billion in total obligational authority (TOA) and $111.9 billion in outlays exclude Civil Defense which is no longer part of the Department of Defense budget. Civil Defense will, however, continue to be part of the National Defense totals in the President's Budget.

The FY 1980 TOA is $135.5 billion, an increase of about 1.7 percent in real terms over the revised FY 1979 estimates. In outlays, the budget is $122.7 billion, an increase of 3.1 percent. A number of constraints have been applied and efficiencies planned to provide the maximum improvements in readiness and modernization within these overall budget levels. Military personnel strength remains level, while civilian employment will continue to decline. A large portion of previously planned military construction programs have been deferred in recognition of the need to restrain spending in those areas that do not represent an urgent near-term defense need. Increased price competition in contracting and efficiencies in supply operations are planned.

In developing the FY 1980 request, priority has been given to technological superiority and high peacetime readiness as

This system which would use the M-X missile would disguise where U.S. missiles are located. These missiles would be moved from point to point along a 20-mile subterranean trench. . . .

Because the system is out of view of aerial surveillance, an enemy would not know exactly where to aim to destroy the missiles.

counters to Soviet numerical and deployment advantages in Europe. The Soviets' own technological advances resulting from their steady spending increases during the 1960s and 1970s demand improvements in our tactical naval, air, and ground forces. The need for wider options, and improved communications and control to strengthen strategic deterrence, puts a premium on improvements in accuracy and survivability. Research and development continues to claim 10 percent of the total budget, while major procurement in real terms is up almost 7 percent. With civilian employment down and forces essentially level, the more modest increase in

DEFENSE news briefs

First F-18 In Navy Testing

The first of 11 F/A-18 Hornet strike-fighter aircraft arrived at the Naval Air Test Center, Patuxent, Md., recently for "principal site testing."

Under this concept, Navy test pilots and engineers will work with McDonnell Douglas contract personnel to ensure early Navy inputs on design improvements, emphasizing reliability and maintainability.

Navy's development plans call for 3,257 flights.

The F/A-18, carries radar-guided and heat seeking missiles as well as a 20mm cannon, and flies at top speed just under twice the speed of sound.

A-10s Aboard In Europe

First operational A-10 Thunderbolt II aircraft are in place in Europe. The first contingent of 18 arrived in January at their permanent bases in the United Kingdom—the Royal Air Force stations at Brentwaters and Woodbridge.

But the A-10, a close support aircraft, is destined to spend most of its time commuting to forward operational locations (FOL) in Germany.

Black-Owned Defense Firm Cited In DoD Award Program

An "exceptional minority business subcontract award" has been won by the Ft. Worth Division of General Dynamics, the prime contractor of the F-16.

The firm was cited by the Department of Defense Minority Business Subcontract program for awarding a high technology, high dollar value subcontract valued at $5.4 million to Univox-California, a black-owned firm in Los Angeles.

DoD's policy is to increase contract awards to minority business firms to meet the President's goal of tripling 1977 subcontracts to minority owned firms by the end of Fiscal Year 1979.

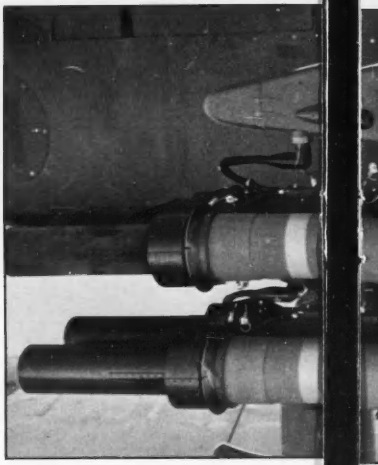
New Navy Launchings

The destroyer O'BANNON (25th Spruance Class destroyer) and the amphibious assault ship PELELIU (5th Tarawa Class), both of the newest types afloat, were christened recently at Ingalls Shipbuilding Division, Litton Industries, Pascagoula, Miss.

First AWACS To Pacific

E-3A Sentry Aircraft, better known as AWACS (Airborne Warning and Control Aircraft), will be stationed at Kadena Air Base, Japan, beginning in July 1980.

This will be the first time AWACS will be stationed in the Pacific. However, AWACS already is operating from Iceland.



operation and maintenance will still provide for a significant improvement in programs for unit training and materiel maintenance.

Defense budget, including the five-year projections, highlights are as follows:

Financial

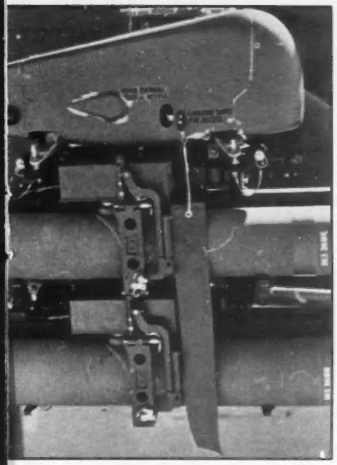
The FY 1980 estimates and the FY 1981-84 projections again assume favorable congressional action on a legislative proposal to reform the method for setting wage levels for Wage Board employees. Pay raises for military and civilian personnel are expected to be restrained below the level of increases in the cost of living.

Until this year, Civil Defense was part of the Department of Defense and was reflected in the DoD budget totals. While it will continue to be included in the National Defense functions of the President's Budget, data presented here for DoD will exclude Civil Defense for all years in order to provide a consistent presentation. The budgetary information excludes Civil Defense TOA in the following amounts: FY 1978, $91.8 million; FY 1979, $98.3 million; and FY 1980, $110.0 million.

Total Obligational Authority

FY 1979 TOA of $125.7 billion includes congressional action to date as well as supplemental appropriation requests of $4,408 million, as follows:

- Readiness and Modernization, $2,160,000.
- Military and Civilian Pay Increases include
  Oct. 1, 1978 - $1,608 million, Wage Board Increase during
  FY 1979 - $241 million for $1,849,000;
- Other Cost Increases (subsistence, retired CPI, PCS



One of the emphases in aircraft modifications is on the conversion of Army AH-1 gunships to the TOW missile configuration.

costs, etc.), $399,000.

FY 1980 TOA at $135.5 billion is an increase of $9.8 billion over the estimated FY 1979 level. After allowing for pay raises and price increases, the budget would provide a real increase of $2.3 billion above the FY 1979 level.

For the years FY 1981-84, TOA is projected at $145.7 billion, $155.7 billion, $166.8 billion, and $177.7 billion, respectively. After allowing for pay raises and price increases, the annual real increments for FY 1981 and thereafter would be $2.9 billion, $3.1 billion, $4.4 billion, and $4.6 billion, respectively.

Outlays

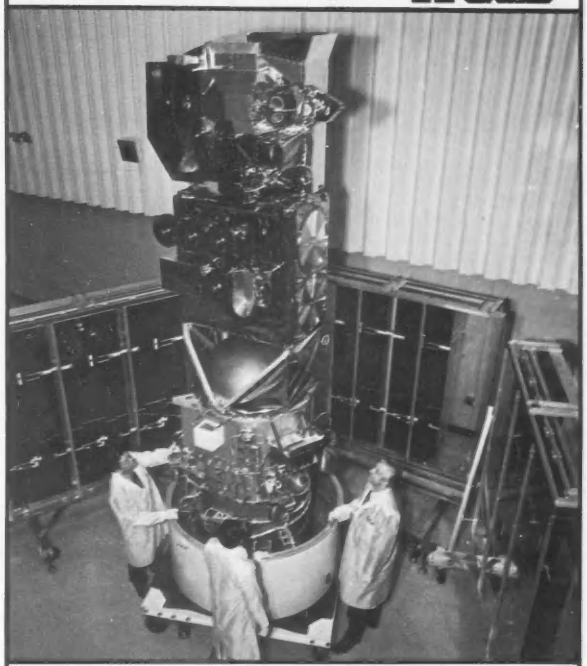
FY 1979 outlays are currently estimated at $111.9 billion.

FY 1980 outlays are estimated at $122.7 billion. At this level, defense represents 23.1 percent of the total Federal budget and 4.9 percent of the Gross National Product. For the years FY 1981-84, outlays are projected at $133.7 billion, $144.9 billion, $155.5 billion, and $165.7 billion, respectively.

Major Budget Changes

The FY 1980 procurement program provides for 6.6 percent real growth in purchasing power over an FY 1979 level which includes $1.2 billion in the Supplemental. Emphasis continues to be placed on those Army and Air Force weapons systems, munitions and support equipments which are most closely identified with our NATO combat capability and commitments. In addition, the FY 1980 budget for shipbuilding shows a substantial increase. In large measure, this can be attributed to the inclusion of two major ships—a TRIDENT submarine and an aircraft carrier. Our efforts to build smaller, less expensive ships, whenever mission requirements will permit, lead to the

dateline: R&D



RCA engineers are dwarfed by the U.S. Air Force's newest and most sophisticated weather satellite, the Block 5D. The 17-foot-tall spacecraft uses a single on-board control system which steers both the launch vehicle and the satellite. The satellite is one of a series designed and built by RCA. Two of the Block 5D weather watchers currently are in orbit.

Major budget changes include increased production of the UH-60A (left), XM-1 tank (right) and an acceleration of the TRIDENT missile program. (center photo).

inclusion of six guided missile frigates. The FY 1979 Supplemental also requests funds for an additional guided missile frigate and a new missile destroyer with improved anti-air warfare capability.

Increases in production quantities are programed for the UH-60A helicopter and for the KC-10, F-16, and F-18 aircraft programs. Production funding will be initiated for the TR-1 tactical reconnaissance aircraft.

Emphasis in aircraft modifications is on the conversion of Army AH-1 gunships to the TOW missile configuration and on the CH-47 life extension and upgrade program; on Navy fighter aircraft and helicopter modernization; and on the Air Force B-52 and Civil Reserve Aircraft Fleet (CRAF).

Air Force missile procurement funding in FY 1980 is about 43 percent higher than in FY 1979. Major increases relate to MINUTEMAN improvements, full-scale production of the Air Launched Cruise Missile (ALCM), increased satellite procurement, materiel readiness improvements through increased spare part procurements, and equipment for the Space Shuttle West Coast facility.

Funds are included for the first quantity production of the COPPERHEAD guided artillery projectile, the SPARROW 7M (Monopulse) missile, the HARM anti-radiation missile, and for the PATRIOT air defense missile and the new General Support Rocket System (GSRS). Increased production of the PHALANX Close-in Weapons System is planned to enable more rapid backfit of this defensive system on to active fleet ships.

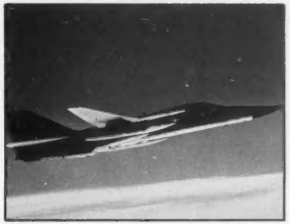
Tactical combat vehicles are emphasized with FY 1980 funding for increased quantities of the new XM-1 tank, initial procurement of the Infantry/Cavalry Fighting Vehicle and the final U.S. production of the M-60 series tank.

The proposed FY 1980 research and development (R&D) amount of $13.6 billion will provide a strengthened technology base, a vigorous modernization of our strategic forces, and continued development of a number of key tactical programs to support our commitments to our European allies through NATO. It provides for real growth of 10 percent in basic research, 5 percent in exploratory development, and an increase in the technology demonstration area in order to maintain the technological advantage of the United States over our potential adversaries. The technology base program includes efforts in aeronautics and propulsion, flight simulation, biomedical sciences, composite materials, and directed-energy devices.

Major funding in R&D in support of strategic programs includes $670 million for full-scale development of the M-X missile to replace our MINUTEMAN forces in the mid-1980s and $41 million for a new, longer-range TRIDENT II sea-based missile. Full-scale development of the cruise missile systems will continue in order to improve the deterrent power of U.S. strategic forces.

Funding of R&D in support of tactical programs reflects the completion of development funding of several systems (XM-I tank, PATRIOT air defense missile system, F-16 and F-18 air combat fighters) from transition to production. Work will continue on advanced beyond-visual-range air-to-air missiles for our fighter aircraft as well as development of a family of air-to-ground, anti-armor weapons to defeat Warsaw Pact tank and motorized combat forces, the Navy's LAMPS anit-submarine warfare helicopter, and the tactical TOMAHAWK cruise missile. The NAVSTAR navigation system will receive major emphasis along with improvements to the Air Force airborne warning and control system (AWACS).

In Operation and



The number of FB-111 squadrons will remain the same under the new budget, while improvements are planned for the AH-1 helicopter and airborne warning and control system (AWACS) programs.

Maintenance (O&M), the FY 1980 budget reflects real growth of 1.4 percent. The cost to operate and maintain the newer aircraft and ships is higher than those they replace. In addition, the FY 1980 budget continues with emphasis on unit training and large-scale exercises to increase the combat capability and readiness of our forces. Following the pattern of recent years, the FY 1980 request includes an allowance for inflation. However, the estimates for inflation on purchased goods and services have been offset to a large degree by budgetary assumptions regarding improved productivity and efficiencies in operations. To execute the FY 1980 program successfully, DoD intends to achieve major efficiencies through improved procurement planning, inventory management and supply utilization.

Military construction and family housing programs decline by $.8 billion in FY 1980 in real terms. The construction program includes those facilities vital to combat readiness, military operations, safety, pollution abatement, and the conservation of energy. The upgrading, replacement, or modernization of older facilities is almost entirely deferred. The family housing program provides for operating and maintaining the approximately 388,100 existing government-owned housing units. Emphasis is placed on an adequate program for operation of existing units as opposed to the programing of the construction of additional housing units.

Military personnel TOA is essentially level. Active military end strengths remain level while average Reserve strengths decline slightly (-12 thousand). Program increases in FY 1980 are related to full-year costs of cost-of-living allowances for bachelor personnel and lump-sum costs of cost-of-living allowances for bachelor personnel and lump-sum reenlistment bonuses. Other increases are related to increases in full-time manning in the Reserve components, including gradual conversion of civilian technician positions to full-time Reserve military positions.

Retired pay increases result from an increase of nearly 38,100 in the average number of retirees and survivors on the rolls in FY 1980, in addition to CPI increases and the effect of pay raises on the annuities of retiring personnel.

Forces

Strategic missile force levels remain constant in FY 1980. By the end of FY 1979, the force will consist of 450 MINUTEMAN II missiles, 550 MINUTEMAN III missiles, 54 TITAN II missiles, and 656 POLARIS/POSEIDON missiles.

The number of B-52 and FB-III squadrons remains constant at 25.

Activation of the major units in the 24-division force structure (16 active and eight reserve components) has been completed. The FY 1980 budget provides for the training necessary to maintain a high level of combat readiness. The Army program to improve tactical mobility and protection will continue in FY 1980 with elements of the 2nd Infantry Division scheduled for mechanization and three battalions (two armored and one mechanized infantry) being added to the force. Three Marine Corps active divisions are continued in FY 1980.

The Air Force continues with plans to bring the 26 tactical fighter wings currently in its active force structure up to full strength. During FY 1980, four F-4 squadrons will be replaced and augmented by two F-15 squadrons, two A-10 squadrons and three F-16 squadrons. Also, the Navy will operate 13 attack carriers and 12 air wings throughout FY 1980. The Marine Corps will maintain three air wings.

Manpower

Active military manpower remains level with the end of FY 1979 at 2,050,000, with minor adjustments influenced by the replacement of older weapons systems, the replacement of losses, and efficiencies in the use of manpower. The Selected Reserve average strength is expected to decline by 12,000, with Army Reserve and Guard increases partially offsetting Navy decreases.

Overall civilian manpower will decrease by 13,000 in FY 1980. This reduction in numbers is partially offset by the transfer in of some 4,000 Panama Canal employees engaged in activities transferred to DoD as a result of the Treaty. The decreases in Defense manpower will result from anticipated increases in the productivity of in-house activities and the conversion of in-house functions to contract where this results in lower costs and more efficient operations.

Defense-related employment in industry increases substantially. Net real increases in defense programs have been applied to industry purchases and not to direct employment. Industry employment is projected to rise by 80,000 from September 1978 to September 1979, and by 120,000 by September 1980.

Summary

The FY 1980 budget, with careful management, will permit significant improvements to the national security posture.

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CHANGE OF COMMAND

Retirements

Gen. Alexander Haig Jr., Supreme Allied Commander, Europe, will be retired from active duty June 30, 1979.

The NATO Defense Planning Committee has appointed **Gen. Bernard W. Rogers,** U.S. Army Chief of Staff since Oct. 1, 1976, to succeed Haig.

Upon being notified by Gen. Haig of his retirement plans, the committee requested President Carter nominate an officer of the U.S. Armed Forces to succeed him. President Carter picked Gen. Rogers.

The new Supreme Allied Commander, Europe will have the same powers and functions as did Gen. Haig.

Rogers will assume his new post on July 1, 1979.

Gen. John W. Roberts, USAF, Commander, Air Training Command, was nominated to be retired in his current grade, effective April 1, 1979.

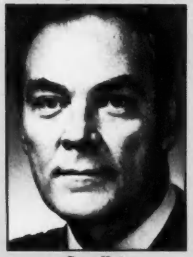
Lt. Gen. Andrew B. Anderson Jr., deputy chief of staff, Operations, Plans and Readiness, Hq. USAF, was nominated to be retired in his current grade, effective April 1, 1979.

Reassignments

Maj. Gen. Evan W. Rosencrans, vice commander, Air Training Command at Randolph AFB, Texas, is reassigned to chief of staff, Combined Forces Command, deputy commander-in-chief, United Nations Command Korea, and deputy commander, United States Forces Korea. He also has been nominated for promotion to lieutenant general.

Lt. Gen. Robert C. Mathis, vice commander, Air Force Systems Command, has been reassigned to vice commander, Tactical Air Command, effective March 1.

Maj. Gen. Richard H. Grove, chief of staff, U.S. Army Europe/Seventh Army, becomes deputy advisor to the Secretary of Defense for NATO affairs. He also was nominated for appointment to lieutenant general.


Gen. Haig

Gen. Rogers

Maj. Gen. Rosencrans

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